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**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING

Whether there has been a violation
of the Securities Act of Washington by:

Skip Clemens and TAC International Ltd., its
employees and agents,

Respondents

SDO- 4 -02

Consent Order

Case No. 00-08-332

THE STATE OF WASHINGTON TO:

Skip Clemens

The Securities Division, Department of Financial Institutions, State of Washington and Respondent Skip Clemens do hereby agree to this Consent Order in settlement of the matters alleged herein. Respondent neither admits nor denies the Tentative Findings of Fact and Conclusions of Law as set forth below.

TENTATIVE FINDINGS OF FACT

I.

From 1996 through 1997, TAC International Ltd. (hereinafter referred to as TAC), a Bahamas corporation, sold an investment in which TAC represented to investors that it would be setting up a Bahamian International Business Corporation ("IBC") for investors that would participate in certain securities trading programs not available in the United States. These trading programs supposedly enabled investors to obtain a high rate of return. Under the IBC program, investors paid a minimum of \$1,500 each to get access to purported debenture trading between and among banks. Investors were told that their investment funds would be sent to the Bahamas to be traded.

CONSENT ORDER

1

**DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760**

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II.

Skip Clemens, a Washington resident, acted as an agent for TAC by recommending the investment to family members and acquaintances. Clemens was promised a percentage of the amount of profits received by those referred to TAC.

III.

In connection with the offer and sale of TAC investments, Clemens failed to adequately disclose to investors at least the following material information: (1) the specific potential risks of the investment and (2) financial information concerning TAC, including prior trading history, financial statements or historical financial information of any kind.

IV.

Skip Clemens is not currently registered to sell TAC investments in the state of Washington and has not previously been so registered.

VI.

The offer and sale of the TAC investment trading program by Skip Clemens is not currently registered under the Securities Act of Washington, chapter RCW 21.20, in the state of Washington and has not previously been so registered.

VI.

The TAC trading program as described above purports to involve an investment in the offshore trading of financial instruments called debentures that are issued or traded among major U.S. and European banks and financial institutions. Since 1993, the Federal Reserve Board, the Securities and Exchange Commission and other regulatory agencies have alerted the public that such debenture trading programs and other similar schemes may be fraudulent and often do not involve bona fide financial instruments or actual

1 trading of securities. Skip Clemens failed to disclose these warnings to investors and did not provide
2 investors with documentation of the existence of the so-called financial instruments or trading program.

3 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:
4

5 **CONCLUSIONS OF LAW**

6 **I.**

7 The offer and/or sale of the TAC investment program as described above constitutes the offer and/or
8 sale of a security as defined in RCW 21.20.005(10) and (12), to wit: risk capital and an investment contract.
9

10 **II.**

11 The offer and/or sale of said securities was made in violation of RCW 21.20.010, the anti-fraud
12 provisions of the Securities Act because respondent failed to disclose to investors material facts as set forth
13 above in Paragraphs I through III of the Tentative Findings of Fact.

14 **III.**

15 The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration for
16 such offer and/or sale is on file with the Administrator of Securities of the state of Washington.
17

18 **IV.**

19 Skip Clemens has violated RCW 21.20.040 by offering and/or selling said securities while not
20 registered as a broker-dealer or securities salesperson in the state of Washington.
21

ORDER AND CONSENT

Based on the foregoing,

IT IS HEREBY AGREED AND ORDERED That Respondent Skip Clemens shall henceforth cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.010, the anti-fraud provisions and RCW 21.20.140 and RCW.21.20.040, the registration requirement provisions of the Securities Act of Washington.

IT IS AGREED that Respondent Skip Clemens waives his right to a hearing in this matter.

IT IS AGREED that the Securities Division has jurisdiction to enter this order.

Dated this _____ day of _____, 2001

RESPONDENT:

SKIP CLEMENS, an individual

THIS ORDER ENTERED THIS 8th DAY OF January, 2002 BY:



DEBORAH BORTNER
Securities Administrator

Approved for Entry by:

Presented by:

MICHAEL STEVENSON
Chief of Compliance

MARTIN CORDELL
Securities Examiner

CONSENT ORDER